

**AUTHORIZATION TO: 1) SUBMIT A MIXED-FINANCE PROPOSAL AND EVIDENTIARY DOCUMENTS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; 2) COMMIT CHICAGO HOUSING AUTHORITY FUNDS UP TO \$18,500,000 FOR ROSENWALD APARTMENTS; 3) APPROVE HAP CONTRACT FOR 60 SENIOR UNITS AND 4) EXECUTE AND DELIVER SUCH OTHER DOCUMENTS AND PERFORM SUCH ACTIONS AS MAY BE NECESSARY OR APPROPRIATE TO IMPLEMENT THE FOREGOING.**

**To the Honorable Board of Commissioners:**

**RECOMMENDATION**

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to: 1) Submit a Mixed-Finance Proposal and Evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$18,500,000 for Rosenwald Apartments; 3) Approve HAP contract for 60 senior units and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The Interim Executive Vice President of Development, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

**CORPORATE GOAL #1**

The proposed development supports CHA's corporate goal to reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant, communities.

**FUNDING:** Not to exceed \$18,500,000 of CHA General Funds

**M/W/DBE & SECTION 3 PARTICIPATION:** Compliance Affidavit on File

**GENERAL BACKGROUND**

Rosenwald Courts, previously referred to as the Michigan Boulevard Garden Apartments, was developed in 1929 by Julius Rosenwald, then president of Sears, Roebuck & Company, to provide decent, affordable workforce housing for African-American working families. The 454-unit apartment complex, which the residents called "the Rosenwald," was almost exclusively rented by middle-class African-Americans and remained a successful building until the 1960s, when it fell into disrepair along with the overall neighborhood. The building has been shuttered since 1999.

Rosenwald Partners, LLC was selected in 2012 as an approved prequalified HCE Developer for the redevelopment of Rosenwald Apartments. The renovation will return 239 units of Senior & Family housing with 78,700 sq. ft. of Retail/Office/Community service space along 47<sup>th</sup> street and 61,000 sq. ft. of community space/management office/un-programmed space in the residential buildings.

City Block is bordered by 46<sup>th</sup> St. to north, 47<sup>th</sup> St. to the south, Wabash to the west and Michigan Ave to the west.

**Unit & Bedroom Mix** – 239 Total Rental Units

Unit Type	Public Housing – ACC	CHA – PRA	Affordable – LIHTC	Market Rate	SENIOR - TOTAL UNITS
	50% AMI	50% AMI	60% AMI		
0 BR	0	0	3	0	3
1 BR	60	60	10	0	130
2 BR	0	0	5	0	5
Total	60	60	18	0	138

Unit Type	Public Housing – ACC	CHA – PRA	Affordable – LIHTC	Market Rate	FAMILY - TOTAL UNITS
AMI			60% AMI		
1 BR			31	6	37
2 BR			56	8	64
Total			87	14	101

**DEVELOPMENT ENTITY**

The ownership entity, Rosenwald Courts Apartments, LP, consists of the General Partner, Rosenwald Courts GP, LLC, and is comprised of Landwhite Developers, LLC (42.5% member), GB Rosenwald, LLC (49% managing member,) and Rosenwald LGG LLC, (8.5% member). The investor will be USA Rosenwald Courts LLC and Credit Capital LLC. The Owner purchased the building in January 2013.

**FINANCING**

The total estimated development budget for Rosenwald Apartments is \$109,043,395 including the \$93,456,999 budget for residential housing only that includes the CHA Loan of approximately \$17,370,000 to be funded with CHA General Funds. Additional project sources include approximately \$1,000,000 of CHA General Funds to be used for CHA administration Fees and Costs and Initial Operating Deficit Reserve.

**PRA HAP CONTRACT**

The PRA Housing Assistance Payments contract would provide assistance for sixty (60) one-bedroom apartments. The contract term would be 30 years with an initial estimated contract of \$576,000. The total estimated contract would be \$17,280,000. It is the intent of the owner/manager of this property to lease all of the PRA units from CHA's waiting lists; first and second preferences would be for those age 62 and 55, respectively. CHA will make referrals from its Public Housing and PBV waiting lists as well as residents whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting list of applicants will be

exhausted prior to utilization of a site-based waiting list. The proposed resolution would authorize the execution of an Agreement to enter into Housing Assistance Payments contract and the subsequent HAP contract for Rosenwald Apartments.

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Interim Executive Vice President of Development concurs with the recommendation to 1) Submit a Mixed-Finance Proposal and Evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$18,500,000 for Rosenwald Apartments; 3) Approve HAP contract for 60 senior units and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

The CEO/President recommends the approval to 1) Submit a Mixed-Finance Proposal and Evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$18,500,000 for Rosenwald Apartments; 3) Approve HAP contract for 60 senior units and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

**RESOLUTION NO. 2013-CHA-100**

**WHEREAS,** the Board of Commissioners has reviewed the Board Letter dated November 13, 2013 entitled 1) Submit a Mixed-Finance Proposal and Evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$18,500,000 for Rosenwald Apartments; 3) Approve HAP contract for 60 senior units and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT,** the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) Submit a Mixed-Finance Proposal and Evidentiary documents to the United States Department of Housing and Urban Development; 2) Commit Chicago Housing Authority funds up to \$18,500,000 for Rosenwald Apartments; 3) Approve HAP contract for 60 senior units and 4) Execute and deliver such other documents and perform such actions as may be necessary or appropriate to implement the foregoing.

This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.



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